

Wine Australia

Media release

30 January 2018

Australian wine production, sales, inventory best for decades

The Australian wine sector is in its strongest position in more than a decade, with historically high production levels matched by sales growth, and reasonable inventory levels, according to the findings of the *Australian wine: production sales and inventory 2016–17** report published today.

The 2017 vintage was the second year of historically high production, with a grape crush of 1.98 million tonnes, 8 per cent higher than in 2016. Wine production increased by 5 per cent to 1.37 billion litres, driven by an increase in red wine production (up 15 per cent to 793 million litres), while white wine production declined 5 per cent to 576 million litres.

Wine sales by Australian winemakers also grew strongly in 2016–17. Growth in both the domestic and export markets led to a combined increase in sales value of \$393 million (8 per cent) to more than \$5.6 billion. Volume increased by 59 million litres (just under 7 million cases) to 1.3 billion litres (142 million cases).

Most (86 per cent) of the growth in sales came from red and rosé wines, which increased by 51 million litres overall to 666 million litres. This was well aligned with the increase in wine production, indicating that market signals are driving production growth. There was growth in white wines as well; exports of white wine grew 4 per cent to 296 million litres – the second highest ever recorded annual figure.

Total inventory increased by 3 per cent to 1.97 billion litres. Red wine inventory increased by 7 per cent to 1.09 billion litres in 2016–17, while white wine decreased by 1 per cent to 739 million litres. The stocks-to-sales ratios decreased slightly for both reds and whites.

Wine Australia Chief Executive Officer, Andreas Clark, said that the large Australian vintage was well-timed, with global production in 2017 estimated to be the lowest since 1961 at 24.6 billion litres, and Australia the only major wine producing country to have an above-average harvest.

'Australia is well-placed to take advantage of the opportunity, with stocks at reasonably high levels and well-established routes to market in the four largest wine markets in the world: the United States, United Kingdom, China and Germany.'

'The additional tariff cuts on Australian bottled wine into China from January 1, 2018 will further increase Australia's competitiveness in the world's fastest-growing major wine market, while on-going tariff cuts through the [Japan–Australia Economic Partnership Agreement](#) will also improve Australia's competitiveness in Japan, the second biggest wine market in Asia behind China.'

The full report can be found [here](#).

[Ends]

*Please note the statistics in the *Australian wine: production, sales and inventory* report relate to the 2016–17 financial year, 1 July 2016 to 30 June 2017, and comparisons with the preceding 12-month period. Statistics in the recently released *Export Report* related to the 12 months ending December 2017, with comparisons to the 12 months to December 2016.

For further information, please contact:

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About Wine Australia

Wine Australia supports a competitive wine sector by investing in research, development and extension (RD&E), growing domestic and international markets and protecting the reputation of Australian wine.

Wine Australia is funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&E investments.

Wine Australia is a Commonwealth statutory authority established under the *Wine Australia Act 2013*.

Australian Wine: Production, sales and inventory 2016-17

Wine production Vintage 2017



1.98m tonnes
grapes crushed
↑ **8%**



1.37b litres
wine produced
↑ **5%**

Wine sales 2016-17



Total sales

\$5.6 billion ↑ **8%**

Export 61% volume



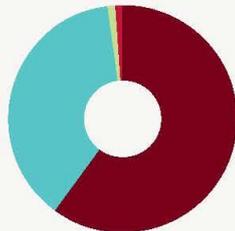
Volume
777m litres ↑ **7%**
Value
\$2.3b ↑ **9%**

Domestic 39% volume

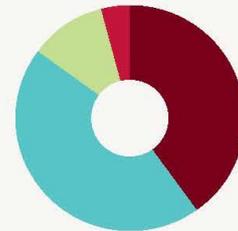


Volume
500m litres ↑ **2%**
Value
\$3.3b ↑ **6%**

- Red and rosé 60%
- White 38%
- Sparkling 1%
- Fortified 1%



- Red and rosé 40%
- White 45%
- Sparkling 11%
- Fortified 4%



32 million glasses of Australian wine enjoyed worldwide *everyday*



Wine inventory 30 June 2017



1.97b litres
↑ **3%**

